BULLETIN

RESERVE BANK OF NEW ZEALAND

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Note: Where figures are given to a certain degree of approximation the total shown may not be the same as the sum of the items.

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Advance Control Policy

ON 17TH DECEMBER the Governor of the Reserve Bank of New Zealand issued a statement indicating the policy which is to be followed by the trading banks in conjunction with the Reserve Bank in respect of trading bank advances.

Pointing out that aggregate trading bank advances were still showing a rising trend even after taking into account the abnormal conditions which had existed during recent months, the Governor said that three undesirable consequences had followed this rising trend:—

1. The high level of demand which was supported by bank credit was accentuating the tendency for prices to rise.
2. The abnormal volume of imports coming into New Zealand was to a large extent being financed with bank credit. This development had to be corrected, because imports were already outstripping our available overseas income by a wider margin than could be sustained for long.
3. Many business concerns had been relying too much on their banks to provide working capital, and had become undercapitalised. Their indebtedness to the banks was too large in relation to their proprietors' funds. This was undesirable both for the banks and for the customers.

To curb the upward movement in advances, the banks had therefore been requested to take the following action:—

1. To examine all accounts where trading limits exceed £10,000, and in those cases where customers were leaning too heavily on bank accommodation in proportion to their capital structure, the banks were to provide the Reserve Bank with the necessary particulars.

The Reserve Bank would use the information to form an opinion as to whether or not any specific policy action was called for. If action was required the Reserve Bank would take all relevant factors into account, and particular regard would be had as to the practicability of non-banking finance being obtained on reasonable terms without producing undesirable economic financial or economic consequences in other directions.

In conformity with its usual practice, the Reserve Bank had arranged with the banks that the identity of customers would not be disclosed, so that the confidential relationship between the trading banks and their customers would be preserved.

In addition, applications for increased limits in the category above £10,000 would be referred to the Reserve Bank for decision in cases where, in the judgment of the trading bank, the concern was leaning too much on bank accommodation.

Discretion had, however, been given to the trading banks to deal with temporary increases without reference to the Reserve Bank provided they were satisfied that the excess was justifiable and that it would be repaid within six months. Otherwise reference would need to be made to the Reserve Bank.

2. Except with the approval of the Reserve Bank in each case increases would not be granted in any importer's current limit to enable the importer to buy overseas funds.

However, to cope with existing abnormal conditions the trading banks had been given discretion to grant further temporary assistance under this requirement without reference to the Reserve Bank, provided that any such "tiding-over" finance was limited to a maximum period of three months.

3. To examine all existing advances to hire purchase concerns (also advances to concerns which undertake hire purchase as a part of their main business) with a view to securing, wherever practicable, reductions in such advances or improvement to existing programmes of reduction.

4. While limits exceeding £10,000 were coming under specific review, all trading bank limits below £10,000 were to be watched closely, keeping in mind the relationship between overdraft and proprietors' funds. Increases were to be avoided wherever possible, and programmes of reduction should be adhered to.

The Governor emphasised that these new measures were introduced to meet a particular situation. If experience showed that further measures were needed or that relaxation was possible then the policy would be adapted accordingly.

Foreign Exchange

XI - EQUILIBRIUM IN THE BALANCE OF PAYMENTS

EARLIER ARTICLES IN THIS SERIES (see especially the "Bulletins" for February and April, 1951) described *inter alia* the methods by which international payments were made, and explained how exchange dealers (in New Zealand the trading banks and the Reserve Bank) buy and sell foreign currency in exchange for domestic currency. When, over a given period of time, dealers' purchases of foreign currency exceed their sales, the result is normally an increase in their reserves of foreign exchange and the country concerned is said to be "in surplus" or to have a "favourable" balance of payments. Conversely, when dealers sell more foreign currency than they purchase the result is normally a "deficit" or "unfavourable" balance of payments and a fall in external reserves.

In some countries, however, most international transactions are financed not in foreign currency but in domestic currency. A distinction between the use of foreign and domestic currency is important, as the extent to which one or the other is used directly affects

the level and nature of the international reserves a country must hold. For example, New Zealand's domestic currency does not serve as a medium of international exchange, mainly due to our relatively small share of total world trade and payments, and our international transactions are settled in foreign currency, principally sterling. Our "net overseas assets" vary with changes in our balance of payments—rising with a surplus and falling with a deficit—and accordingly must be adequate to meet seasonal and other fluctuations. The position of a country like the United Kingdom is slightly different: To the extent that sterling—her domestic currency—is used to finance her international transactions, a surplus or deficit in the balance of payments is reflected by a rise or fall in the sterling balances held by other countries. These balances constitute a United Kingdom liability. However, in cases where foreign currency is used, notably in the United Kingdom's trade with the dollar area, adequate reserves must be held, either of gold or dollars or both. The United States is an example of a country whose domestic currency finances most of her international payments and movements in the United States balance of payments are therefore reflected in the reserves of gold or dollars held by other countries.

Thus in relation to a country's international reserves the importance of a deficit or surplus in the balance of payments will vary according to that particular country's need for such reserves. With New Zealand foreign currency reserves are essential; with the United Kingdom reserves of gold and dollars are also essential but due to the wide transferability of sterling (see articles in "Bulletin" for July, August and September, 1951) reserves of other foreign currencies need not be so substantial; while in the case of the United States the domestic currency is so much in demand by the rest of the world that there is no need to hold large foreign exchange balances.

To assess the causes and seriousness of a disequilibrium in the balance of payments, and to decide what corrective measures can and should be put into effect, it is first necessary to define equilibrium. In one sense receipts and payments in foreign currency must always be in balance since exchange transactions involve the exchange of one currency for another. A customer disposes of currency "A" in order to obtain an equivalent amount of currency "B"; the dealer disposes of currency "B" and acquires currency "A". However, a dealer may be called upon to sell in a given period more foreign currency than he has bought, and therefore will be required to use up some reserves, or to borrow foreign currency specially to meet the situation. Thus it is necessary to differentiate those items in the balance of payments which represent normal transactions undertaken for their own sake from those, the presence of which, as net balancing items over a period of time, may indicate a disequilibrium. Such transactions as gold movements, special borrowing, and changes in official reserves of foreign currency or in external liabilities take place when the normal transactions on trade and income account (i.e., export and import of goods and services, and normal capital movements) do not balance by themselves, and accordingly are in the nature of net balancing transactions. It is necessary to exclude them from the balance of payments in order to obtain a definition of equilibrium.

Transactions included in the balance of payments may be divided into "current account" and "capital account" items. Included in the former are receipts and payments for goods and services, and also "unilateral" transactions; while the latter include the normal capital movements. (For fuller definitions see article in November "Bulletin".) If current payments exceed current receipts the resulting deficit may be offset by a surplus in the capital account. The converse is also true. However, if the current account deficit is not balanced by a capital account surplus the balance is settled either by special borrowing or by a decline in overseas reserves (including gold) or an increase in overseas liabilities. It is the movement in international reserves which is the true criterion of equilibrium or disequilibrium in the balance of payments.

It is necessary to elaborate this definition, however, as though overseas receipts and payments may be in balance, this may be due to an inflow of short-term "hot money" or to special external borrowing, or to the application of rigorous exchange controls, or to manipulation of the exchange rate, or to an internal deflation which, by reducing incomes and costs, stimulates exports and discourages imports. Hence true equilibrium in a country's balance of payments may be said to exist when its international currency reserves are adequate and stable over a period of time without:—

(a) the use of trade and exchange controls;
(b) deliberate and sustained deflation;
(c) special borrowing;
(d) frequent changes in exchange rates;
(e) an inflow of "hot money".

Stability in monetary reserves could be achieved by any one of the measures listed above, but it would not be true equilibrium.

Under present conditions, changes in the balance of payments that may cause a disequilibrium are more likely to occur in current account rather than capital account transactions, since the latter are subject to exchange control in most countries.

Causes of a Deficit on Current Account

As previously mentioned, the current account includes payments for imported goods and services, and receipts from exported goods and services. The balance between exports and imports is referred to as the trade or "visible" balance, while other transactions such as travel, investment income, insurances, are referred to as "invisible" items. The relative importance of these two types of transactions varies from country to country. For instance, in New Zealand the "visible" balance is by far the more important so that a deficit or surplus results mainly from changes in the value of exports or imports. The main causes of a deficit in the current account may be summarised as follows:

(a) ***Reduced receipts,*** which may result from a fall in export income or a decline in "invisible" receipts. A country's export income can decline for a variety of reasons—the demand for its exports may fall due to depressed markets in the countries it supplies, increased volume of substitute commodities, or larger supplies from competing countries; or seasonal condi-

tions may reduce supplies of farm produce. Thus the re-entry of Japan into world trade may affect the export markets of other exporters of manufactures. It is also possible, for example, that the increased production and use of man-made fibres may affect the overseas incomes of wool-exporting countries. Another reason for a decline in a country's exports may be increasing local demand for its export goods, as a result of internal inflation or a growing population. For example, in the United Kingdom direct controls were necessary to ensure that a high level of local demand did not divert export goods, such as cars, to the home market; while Australian exports of meat and dairy produce are tending to decline for similar reasons.

Internal inflation not only diverts goods to the home market but also pushes up the cost of producing exports. This may mean higher export prices, but the higher prices may cause a more than proportionate decline in external demand, so that the total value of the exports may fall.

A further factor, which has accentuated the problems of European countries in increasing their exports and thereby improving their balance of payments, has been the physical damage their export industries suffered during the recent war. In addition to these losses the war also caused a fall in invisible receipts, as overseas assets were sold and the income therefrom permanently lost.

(b) ***Increased Imports.*** In addition to diverting export goods to the home market, internal inflation, by increasing local incomes, stimulates the demand for imported goods and services, and is probably the most important single factor causing disequilibrium in a country's balance of payments. Imports may also rise as a result of special factors such as military needs or capital development. A further factor that could cause a substantial rise in the volume and value of imports would be a fall in local production of essential goods, particularly foodstuffs.

Thus there is a complex of factors that can operate to increase a country's overseas expenditure on imports. At the same time they may affect its capacity to export. The effects on the balance of payments through the operation of each of these factors cannot be quantitatively measured in advance, but their influence will show in movements in a country's international reserves or liabilities.

A deficit resulting from a high level of import payments or too low a level of current receipts, as has already been stressed above, does not necessarily indicate a lack of equilibrium. Certain capital items must also be considered before movements in international reserves can be regarded as evidence of disequilibrium.

Causes of Deficit in Capital Account

The previous article in this series has described the methods by which capital movements take place. The main causes of disequilibrium in a country's balance of payments originating from capital transactions may be summarised as follows:—

1. Payments in respect of overseas debts and reparations;
2. A disparity in the interest rates in different countries for long-term investments, which, other things being equal, and in the absence of control, will cause a movement of funds from the low to high rate countries;
3. Erratic movements of "hot money" in search of either political security or profits from exchange speculation;
4. Sudden changes in the flow of long-term capital for genuine investment purposes.

The first of these may place a burden on a country's economy, but the amount involved is definite and foreseeable, and plans can be made accordingly. The second is not subject to sudden changes and in these days is usually prevented by exchange controls. The third, is the most dangerous in troubled times, since it is often unpredictable. It is the outward flow of "hot money" which usually causes difficulties, but recent Australian experience has shown that an inward flow can also be an embarrassment. The fourth factor was important in the late 1920's when the flow of capital from U.S.A. to Europe ceased.

Action to Correct a Disequilibrium

To some extent a disequilibrium in external receipts and payments will tend to correct itself in time. Provided the situation is not serious and monetary reserves are adequate, little might be needed in the way of corrective action by governments or central banks. For example, assuming that overseas transactions are initially in balance, an increase in export prices in New Zealand will so increase farm incomes in particular, and the total national income in general, that there will be (after a time lag of some months) a greater expenditure on imports and the balance of trade will tend to be restored. Similarly a drop in export prices will tend to bring about a decline in incomes and in the demand for imports. So long as the export price changes are moderate, the only other change that need occur is in the level of overseas assets of the banking system. Before 1934 (when the Reserve Bank commenced business) the trading banks in New Zealand dealt with fluctuations in export receipts by making small changes in exchange rates, by altering the rate of interest on bank overdrafts and adjusting their credit policy generally, thus reinforcing the tendency for the balance of payments to adjust itself.

When more violent changes occur in a country's balance of payments, more drastic action may have to be taken. Possible measures include:—

1. Special external borrowing to help maintain a desired flow of imports;
2. Alteration in exchange rates;
3. Taxes and subsidies designed to influence external trade;
4. Exchange and import controls;
5. Disinflationary policies designed to reduce monetary demand.

These will be discussed in later articles of this series.

Commodity Prices

THE INVASION OF SOUTHERN KOREA on 25th June, 1950, had repercussions in many fields. In the commodity markets it ushered in the most pronounced and universal phase of rising prices since the summer and autumn of 1947. The second quarter of 1950 had seen a general strengthening of commodity prices, but about the middle of June there was evidence that this development had exhausted itself, and some prices began to turn downward.

The boom produced by the outbreak of war was superimposed on a long general upward movement of prices which, save for short periods in 1948 and 1949, can be traced to the mid-thirties. Beneath the long-term price movement deep-lying unstable conditions existed. Supply was lagging behind demand, due partly to the fact that many commodity producers could not forget their experience in the period between the two world wars when supply tended to exceed demand, partly to the fact that, with prices rising since 1945, producers had not been under pressure to increase their productive efficiency and thus cut costs, and partly to widespread inflation. In addition, the lack of a balanced and representative marketing system, the large number of official controls, the fixing of arbitrary prices in many cases, and the failure to take account of the long-term trend of demand, served to increase the feeling of uncertainty about the future. One result was that there was insufficient capital investment designed to increase production of basic commodities.

After June, 1950, vast rearmament and stockpiling demands emerged, together with a rising trend of civilian consumption. Fears of large-scale conflict and of disruption of supplies from the Far East, anticipation of increasing material requirements for armament programmes and food reserves (stocks were low in June, 1950) and the threat of growing inflation, aggravated the wild scramble for supplies. A strong upward movement of prices ensued in July and early August during which advances for the main "sterling commodities", such as rubber and tin, were more pronounced than those for the "dollar products".

In September, due to more favourable news from Korea, the markets became quieter, but in October government buying (especially in U.S.A.) increased considerably and gave markets a new impulse. From the eve of the Korean war to December, cotton (U.S. middling) increased by 9.6 cents to 44.2 cents per lb., tin rose by £691.7 to a level of £1302.5 per ton, and rubber rose by 32d. per lb. to 55d. Thus commodity prices strong before Korea, were at the end of the year very high, especially in the case of wool, rubber, tin and coffee. As increased production is a long-term project, it was clear that the immediate future of the markets was to be determined mainly by demand.

Early in 1951 production of some primary commodities began to respond more readily to high prices. Nevertheless, demand for these materials, accentuated by shipping shortages, mounting freight rates and the action of some traders in holding supplies off the market in hopes of higher prices, caused further large increases in the prices of industrial raw materials. In this respect the United States with $2,900m. budgeted for stockpiling in the fiscal year beginning July, 1951, compared with $675m. in the previous year—this in addition to defence expenditure and a high level of consumer demand—exerted the major influence on world markets. Premiums on non-ferrous metals on the "grey" markets were up to two-thirds of fixed official prices, and several farm products in the United States rose above the price level at which the Government support price operated. A beginning was also made in the United States to bring standby capacity for synthetic rubber and aluminium into operation and to organise a more systematic collection of scrap metals.

By this time rising prices had begun to threaten the economic stability of several countries, causing deteriorating terms of trade and dislocation of industrial programmes in consuming countries, and inflationary pressure, particularly in producing countries. The movement to restore or tighten up raw material controls (such as embargos, priority regulations, consumer restrictions) was led by the United Kingdom, whose control machinery of the Second World War had not been completely discarded. In the United States, the Government had established in December, 1950, an Office of Defence Mobilisation to direct and control all mobilisation activities.

In the New Year also, attempts were made at international controls and co-operation to deal with the problems of unco-ordinated competitive buying. These problems had been studied for some months by several international organisations, and on 13th January plans for the establishment of an International Materials Conference were published.

The announcement of the U.S. prices and wage "freeze" on 26th January, which caused the temporary closing of several U.S. commodity exchanges, and delays in effective international action, introduced some hesitation in February, but by 12th March five committees of the International Materials Conference —those for copper, lead and zinc, sulphur, cotton and cotton linters, tungsten and molybdenum, and manganese, nickel and cobalt—had met.

In March, though there were some price increases, e.g., merino and crossbred wool, wheat and cotton, a fairly widespread reaction was visible which affected leading raw materials as well as key basic foodstuffs. Premiums on the free markets contracted, while rubber declined by 9d. to 63d. per lb., and tin fell by £185 to £1237.5 per ton from February's levels.

Reasons for the increase in price consciousness were several, and though some were without substantial foundation they persisted for the next few months. They included:—

(a) Expectations of a better political atmosphere on account of the peace talks;
(b) Fears of contraction in economic activity;
(c) Hopes of improved supplies of primary commodities. (Though supplies of the main raw materials were expanding and the U.S. was preparing to stimulate productive capacity, results were necessarily slow in appearing.)

(d) Anticipation of a scaling down of the U.S. stockpiling purchases, following the temporary interruption of zinc purchases, the extension of delivery dates under valid copper contracts and the suspension of "new" purchases of tin on 6th March—all of which had far reaching results;

(e) Expectations of tangible results from the International Materials Conference.

One of the main factors influencing commodity markets and helping to produce a drop in prices was the change in monetary policy in the United States in March, 1951, when the Federal Reserve System ceased to support the market prices of government securities and there was an immediate tightening up of bank credit. Monetary controls relating to consumer credit and real estate credit also had the effect of restraining non-government expenditure.

In April a temporary plateau of prices was reached. Despite wide fluctuations, during which copper and sugar prices increased, the general downward trend continued in May and June, and was particularly strong in the case of the foremost "sterling commodities"—raw wool declining by 45-50 per cent from its peak level, rubber and tin declining by about 40 per cent, raw cotton by about 15 per cent, and the main cereals by about one-eighth.

In addition to national controls, international co-operation made progress during April, May and June, several new committees being added to the International Materials Conference and allocations of materials being made. Discussions between the United States and the United Kingdom at a high political level also helped to stimulate confidence in a restoration of more orderly market conditions. This was clouded, however, by the lack of progress in respect of wool, tin and rubber, and the difficulties of tackling price problems.

During July and August the general decline in prices that had been under way since March almost ceased with the exception of wool, cotton and tin. Other markets developed greater stability.

September, October and early November have seen the virtual end of the decline in commodity prices. Due to more orderly demand and to the greater emphasis now placed on long-term contracts by the U.S., markets are more stable, with small fluctuations mainly explainable by seasonal or "technical" influences. Over the period the official prices of lead and zinc were raised by 2 cents per lb., sisal prices declined, while the prices for cotton (due to less favourable reports of the coming crop) wheat and jute rose. The decline of rubber, tin and wool prices from October levels again stresses the threat to the currency reserves of the sterling area, from the fact that since March "sterling" commodities have suffered greater losses than those coming mainly from dollar sources.

The trend of price changes can be seen in the movements of the *Economist's* "Sensitive Price Index" (base 1935 = 100). (For details of actual price changes see table and graph on page 183.) The total index, which was 375.2 in June, 1950, reached its peak of 524.0 in February, 1951, and on 6th November had declined to 495.0. Since July it has been relatively stable. The crop sub-group of the index rose from 269.8 in June, 1950, to its highest point of 323.0 in May, 1951, falling to 296.4 in early November. The raw materials sub-group, which has shown the greatest percentage increase since June, 1950, rose from 521.4 to 879.0 in February, and after fluctuations fell to 826.6 on 6th November.

At present it is difficult to say which way the markets will turn. There is the danger that continuing political uncertainty and munitions programmes, and the inadequacy of fiscal, monetary and physical controls may allow inflationary factors to affect both the short and long-term commodity position. On the other hand the increasing vigour of the International Materials Conference, the plans to increase production, and the trend towards tighter monetary controls should have some restraining influence.

Current Notes

Reserve Bank's Overseas Investments

Since 15th August, 1951, one of the main reasons for the steady decline in the Reserve Bank's holdings of sterling exchange, as published in the Bank's weekly statement of assets and liabilities, has been the purchase of overseas investments. Normally the Reserve Bank's sterling exchange is held in the form of British Treasury Bills in order to earn the ruling rate of discount rather than have the sterling funds lying idle; but as a matter of policy it was decided to invest a part of these funds in short and medium-term British Government securities, which are included in the Reserve Bank's investments. Between 15th August and 14th November, 1951, overseas investments rose from £1.9 to £32.1 million, of which £10 million are held in stock of the recently-issued British funding loan.

Small Savings in New Zealand

On page 187 of this "Bulletin" a table and graph are published showing movements in small savings related to what might be termed "national spendable income", i.e., National Private Income less taxation and monies compulsorily withheld from producers and transferred to stabilisation and wool retention accounts. It should be borne in mind that the small savings included in the table are only a part, though the major part, of all small savings (life insurance premiums, superannuation payments etc., are excluded) and further, that they are only a minor part of aggregate national savings. Nevertheless they do afford some guide to the saving habits of a numerically important section of the community.

The figures since 1938 fall into three distinct parts. Firstly, the years 1938 and 1939 when for a short

period withdrawals exceeded deposits. The second period extends through the war when, with goods in short supply and prices held fairly stable, there was a surplus of income which was saved. In the seven years from 1940 to 1947 the proportion of "spendable income" invested in small savings averaged nearly 9 per cent each year. Since then goods have been in more adequate supply with the result that the proportion has fallen to 3 per cent or under in each of the last four years.

Exchange Rates

Consequent on the increase in the Bank of England's discount rate from 2 per cent to 2½ per cent the trading banks have made slight downward adjustments in their buying rates, other than the telegraphic transfer rate, for sterling. The rates from 30 days sight onwards now include 1/- per cent British stamp duty previously collected separately. The New Zealand on London buying rates operative from and including 12th November, 1951, are as follows:—(per £stg.100).

Telegraphic Transfers (remittance by cable)			£N.Z.100	7	6			
		Airmail*				Sea Mail		
Bills, Cheques or Drafts payable "on demand"	£N.Z.100	0	6			£N.Z.99	15	3
Bills, Cheques or Drafts payable 3 days after presentation	,, 99	19	9			,, 99	14	6
Bills, Cheques or Drafts payable 30 days after presentation	,, 99	15	0			,, 99	9	9
Bills, Cheques or Drafts payable 60 days after presentation	,, 99	10	9			,, 99	5	6
Bills, Cheques or Drafts payable 90 days after presentation	,, 99	6	6			,, 99	1	3
Bills, Cheques or Drafts payable 120 days after presentation	,, 99	2	3			,, 98	17	9
Sterling Notes	£N.Z.98	0	3					

* Customer pays Air Mail postage.

Government Security Yields

The prices of New Zealand Government stocks have declined steadily on local exchanges during October and November and yields are now higher than they have been for many years. The monthly average yield of a representative long-term stock shown in the table on page 186 was 3.24 per cent in November, its highest point since September, 1941, when it stood at 3.27 per cent.

Until mid-September yields were steady at slightly over £3 per cent but from that time prices dropped, especially for the longer-dated issues. The average yield on six long-term 3 per cent stocks, which was £3 1s. 3d. per cent on 19th September, had risen to £3 3s. 0d. by 24th October and continued to rise steadily during November from £3. 3s. 6d. on 5th to £3. 4s. 7d. on 12th, £3. 5s. 2d. on 19th and £3. 6s. 0d. on 26th November. The corresponding average yield at the end of November last year was £3. 0s. 9d. per cent.

A similar rise in stock yields has taken place in Australia and London, as the table shows. This fall in stock prices overseas, which reflects tighter monetary policies in the two countries, has undoubtedly influenced the local market. A further depressing influence in New Zealand has probably been the big demands which private industry has been making on the local capital market this year. This has been particularly marked since June and several large issues have been taken up in the last quarter of the year.

Seasonal Conditions in Agriculture

Throughout the country, September was a very dry month, with temperatures considerably warmer than usual. In contrast, October was in most cases cold and changeable with heavy rains particularly in the North Island.

These conditions have not, however, greatly affected dairy production, and output to date is at least equal to that for the corresponding period last year and in some areas has exceeded it.

In the majority of districts, while ewes appear to have come through the winter period well, lambing percentages this year, with the exception of North Auckland, are somewhat lower than in 1950, this again being mainly attributable to unfavourable climatic conditions during October. Early drafts of lambs are therefore expected to be fewer in number and lighter in weight. Early shearing has also been retarded because of the wet weather, a factor which has been reflected in offerings at opening wool sales for the current season.

Meat killings for export this season may be expected to rise above the total for 1950-51, when killings were abnormally low. A factor likely to contribute to an increase in 1951-52 is the fall that has taken place in wool prices, which will reduce the incentive for sheep farmers to retain stock for woolgrowing.

Seasonal cultivation is well in hand in most areas. The sowing of most cereal and grain crops has been completed and in some districts growth is well forward. Unsettled weather has, however, probably prevented some late sowings in the south, and the area in wheat there will be appreciably less than in 1950. Onion and potato crops in the Manawatu have, however, been waterlogged, and losses are likely to be heavy. South Island commercial growers' acreages for main crop potatoes (an important source of supply for both islands) are also substantially below last years' plantings. The citrus crop in North Auckland is practically finished and spring conditions there have been suitable for all fruits. The forthcoming New Zealand apple and pear crop should almost equal the record figures established during 1951.

Releases from Wool Retention Accounts

The Wool Proceeds Amendment Act, passed on 23rd November, 1951, gives effect to a previous announcement by the Prime Minister concerning releases from wool retention accounts. In addition to clauses covering the amounts growers may withdraw from these accounts (for details see "Bulletin" for May, 1951), the Act provides that if any moneys "frozen" in respect of wool sold or exported on or before 31st October, 1951, remain in a wool retention account after 1956, they are to be free from any restriction. The Act also provides that for the purpose of assessing income tax and social security charges, any moneys held in a wool retention account will be tax-

able when they are paid out to the taxpayer and not before. A further clause enables trustees of deceased estates to apply for the withdrawal of all or part of the money in an account within one year of the death, or within three months after the passing of the Wool Proceeds Amendment Act, whichever is the later period to expire.

Wool Commission

The Wool Commission Act recently passed by the House of Representatives gives effect to a plan, approved by representatives of the wool growing industry for minimum wool prices and for the establishment of a Wool Commission. This Commission will take over the assets and liabilities of the N.Z. Wool Disposal Commission which is to be abolished. Unless extended by subsequent legislation the Act will operate until 30th September, 1952.

The Act requires the Commission to prepare a table of minimum prices for all the main types of wool (the chief exception being sliped or fell-mongered wool) having regard to:—

(a) Current trends and prospects in international markets and in prices of commodities generally;
(b) The amount of available financial resources;
(c) The views of the N.Z. Wool Board;
(d) The maintenance of the production of wool in New Zealand;
(e) Such other matters as the Commission from time to time deems relevant.

The Act also provides that the table of minimum prices will not be effective except by agreement with the Minister of Marketing, while the table cannot be amended or revoked in any financial year except in circumstances such as substantial exchange rate alterations or widespread economic crises, which are deemed by the Minister and the Commission to be unforeseen or exceptional.

The Commission is given powers to supplement the sale price of any wool sold at auction to the extent necessary to increase the grower's return up to the minimum price; or to buy at its discretion at any auction sale any wool at a price not exceeding the minimum price. The auction sales must be those approved by the Commission.

The new Commission is to consist of six members appointed by the Governor-General on the recommendation of the Minister of Marketing, of whom:—

(a) Two members shall be appointed after consultation with the Wool Board;
(b) Three members shall be appointed as Wool Board representatives;
(c) One member shall be appointed as an associate member on the nomination of the N.Z. Woolbrokers' Association.

Dairy Industry Revenue

Figures published by the N.Z. Dairy Board show that exports of dairy produce for the 1950-51 season were 7 per cent greater in volume and 13 per cent higher in value than in the 1949-50 season. Receipts from exports in 1950-51 totalled £62.3 million, including £41.8 million from butter and £15.7 million from cheese. This compares with £55.1 million for the previous twelve months and an annual average of about £20 million for 1934-38. Skim milk powder provided the third largest source of export revenue under this heading in 1950-51, receipts from this item exceeding £1.9 million.

The volume of, and revenue from, exports of butter and cheese for the last two seasons have been as follows:—

VALUE AND VOLUME OF CHEESE AND BUTTER EXPORTS

	Volume		Value	
	1949-50	1950-51	1949-50	1950-51
	(000 tons)		*(£N.Z.000)*	
Creamery Butter	141.5	146.7	36,375	41,040
Whey Butter	2.8	3.0	685	752
Cheese (Cheddar)	97.2	100.8	14,036	15,544
Cheese (Processed)	0.6	0.7	119	127

The only items to show a decline in 1950-51 compared with the preceding season were whole milk powder and malted milk, exports of the former falling in value from £127,000 to £119,000, while malted milk shipments decreased from £48,000 to £21,000. Casein exports advanced more than 27 per cent in volume and nearly 70 per cent in value to reach £866,000 in 1950-51.

Local market sales of dairy produce in 1950-51 were valued at about £21.2 million compared with £18.3 million in 1949-50, due mainly to the larger domestic consumption of creamery butter. The latter rose from 24,800 tons to 30,900 tons, representing an increase in value of more than £1.9 million. Domestic sales of liquid milk increased from 90.5 million gallons to 92.7 million gallons. Total revenue from both export and local market sales in 1950-51 amounted to £83.5 million as against £73.3 million the previous season. If the total income of the Dairy Industry is considered to include also the proceeds from the sale of cow beef, pig meats, calf skins, hides, etc., the aggregate revenue for 1950-51 would be between £90 million and £100 million.

United States Foreign Aid

For the fiscal year ended 30th June, 1952, the United States is to give $7,329m. in military and economic aid to friendly nations, compared with $3,693m. in the previous financial year. This year's figure consists of $5,789m. in military aid and $1,440m. in economic assistance. In the seven years up to June, 1952, the United States Government will have given over $40,000m. in international loans and grants.

As Mutual Security Director, Mr. W. Averell Harriman will be in charge of the newly created Mutual Security Agency (replacing the Economic Co-operation Administration) which will operate the economic aid programme as well as co-ordinating the policies of that agency with those of the Defence and State Departments, which will handle military aid and technical assistance.

I—RESERVE BANK OF NEW ZEALAND
Liabilities and Assets

(*£N.Z. thousands*)

Average of Weekly Figures:	LIABILITIES					ASSETS							
	Bank Notes	Demand Liabilities				Reserve			Investments	Advances to State		Other Advances and Discounts	Other Assets*
		State	Banks	Wool Retention Account†	Other	Gold	Sterling Exchange	Other* Exchange		Market'g Orgns.	Other		
1944	37,453	13,234	32,987		916	2,802	33,720		11,509	2,760	34,861		2,567
1945	41,123	12,228	43,972		1,012	2,802	60,064		11,797	2,085	24,163		1,455
1946	45,169	17,302	59,731		524	2,802	81,332		5,991	961	35,127		1,396
1947	47,682	13,265	57,102		483	2,802	85,300		4,576	1,157	28,510	5	1,046
1948✱	48,930	13,228	57,706		380	2,802	65,090		10,496	1,698	35,182	2,437	7,549
1949	51,312	11,384	73,837		355	3,223	48,995		41,855	3,482	37,628	4,907	1,973
1950	55,126	15,446	74,239	117	1,115	4,269	51,319	256	31,313	5,096	52,245	5,378	2,277
Last Wednesday in Month:													
1950—Nov.	57,473	12,556	70,210		894	4,666	49,596	389	25,974	4,304	54,292	5,503	2,567
Dec.	62,216	14,985	62,579	3,114	556	4,697	47,946	350	30,974	3,558	54,178	5,701	2,386
1951—Jan.	58,583	17,416	67,367	10,889	893	4,810	50,702	390	35,974	4,832	53,000	9,180	2,668
Feb.	57,704	29,924	67,390	7,859	722	4,871	56,333	289	35,974	6,199	53,000	8,855	4,576
Mar.	58,418	44,884	49,060	6,741	756	4,932	60,970	349	27,974	7,372	53,000	7,217	4,663
Apr.	58,675	21,673	65,834	3,849	657	4,959	64,916	544	15,974	9,607	50,000	7,270	4,182
May	58,413	10,544	75,902	1,238	4,718	5,071	73,802	170	10,974	5,842	50,694	6,832	4,174
June	59,804	11,589	73,694	2,879	1,913	5,157	78,120	419	7,974	4,033	50,000	6,495	3,714
July	60,624	9,874	75,294	4,882	719	5,203	78,483	460	11,974	1,929	50,000	6,235	2,949
Aug.	60,374	14,183	81,660	5,024	444	5,306	79,164	524	22,675	1,300	50,146	6,019	2,585
Sept.	60,566	12,173	84,617	1,494	604	5,365	68,213	457	31,440	1,419	50,040	6,019	2,423
Oct.	61,298	13,744	79,248	882	292	5,418	59,003	358	36,132	1,373	50,000	6,019	3,097
Nov.	64,576	12,268	69,737	361	470	5,451	38,602	437	46,182	1,541	52,986	6,019	2,365
Dec. 5	65,623	15,835	62,688	390	353	5,465	36,226	445	49,182	1,565	50,023	6,019	2,198
12	67,341	17,020	58,428	76	317	5,468	32,208	325	49,182	1,655	50,350	6,019	4,175
19	69,363	18,183	55,326	20	524	5,494	30,136	418	52,182	1,389	50,000	6,019	4,055
26	69,366	9,975	65,896	34	191	5,506	29,131	400	54,182	2,586	50,000	6,019	4,069

✱ On and after 20th August, 1949, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg.100 = £N.Z.124.
* Prior to 1950 the figures for "Other Exchange" are included under "Other Assets".
† Held temporarily pending transfer to Wool Rentention Accounts at trading banks. See text page 19 of February, 1951, issue.

II—TRADING BANKS
Liabilities and Assets

(*£N.Z. thousands*)

Average of Monthly Figures:	LIABILITIES (in New Zealand)				ASSETS					Unexercised Overdraft Authorities
	Demand	Time		Total Demand and Time Liabilities	Bankers' Cash*	Net O'seas Assets	Securities		Advances and Discounts	
		Wool Retention Accounts‡	Other				Govt.	Other		
1944	88,644		30,480	119,125	39,384	11,938	36,141	2,424	46,806	37,120
1945	99,836		31,634	131,470	52,402	13,647	29,335	2,473	51,618	40,274
1946	117,071		34,414	151,485	67,794	12,541	26,168	2,293	58,342	45,041
1947	128,115		37,870	165,984	66,041	13,295	20,913	2,124	76,247	46,669
1948✱	138,211		40,403	178,614	68,814	13,464	16,953	1,942	86,470	50,650
1949	150,699		39,016	189,715	86,120	14,526	12,856	1,813	81,981	57,686
1950	167,526		39,787	207,313	86,674	17,362	11,730	1,677	94,065	64,178
Last Wednesday in Month:										
1950—Nov.	164,530		39,827	204,357	83,751	9,670	11,730	1,636	105,113	66,274
Dec.20	186,616		39,538	226,153	70,339	22,013	11,730	1,634	108,979	71,347
1951—Jan.	194,692	784	39,805	235,281	79,759	32,482	11,730	1,590	112,617	72,294
Feb.	193,039	4,879	39,163	237,080	80,156	34,053	11,715	1,576	118,287	75,416
Mar.	193,709	9,644	39,770	243,124	60,784	31,504	11,715	1,574	133,271	70,364
Apr.	202,906	13,485	40,074	256,466	77,953	30,000	11,715	1,545	135,921	73,703
May	210,769	16,441	40,302	267,512	87,423	34,018	11,715	1,531	137,636	75,732
June	211,864	18,039	39,449	269,353	86,492	39,492	11,715	1,529	132,743	76,425
July	205,822	21,356	38,659	265,837	87,506	40,059	11,715	1,517	121,428	78,433
Aug.	187,780	25,934	39,199	252,913	93,920	23,712	11,715	1,502	127,001	73,216
Sept.	194,575	29,962	39,781	264,317	97,276	18,802	11,715	1,499	133,030	70,061
Oct.	188,055	30,736	41,093	259,884	91,572	14,108	11,715	1,495	143,227	67,347
Nov.	186,477	31,726	40,364	258,567	85,554	13,401	11,715	1,483	147,336	68,482

* Bankers' Cash includes Notes and Coin, and Balances at Reserve Bank. ‡ See text page 19 of February, 1951, issue.
✱ On and after 20th August, 1948, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg.100 = £N.Z.124.

III—FOREIGN EXCHANGE

Net Overseas Assets (Revised Series)*

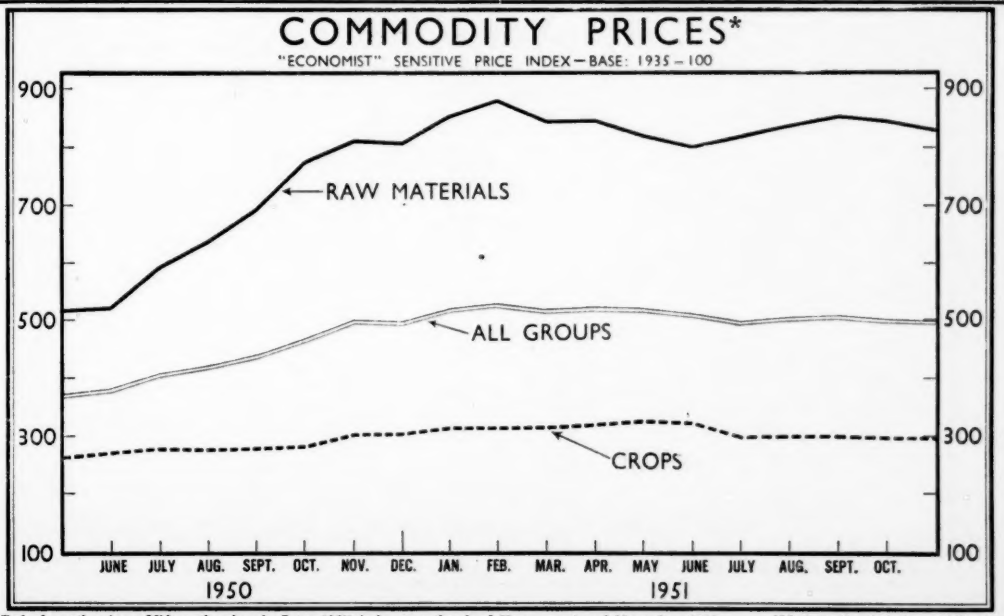
(£N.Z. thousands)

Last Wednesday in Month:	1948	1949			1950			1951		
	Total	Reserve Bank	Trading Banks	Total	Reserve Bank	Trading Banks	Total	Reserve Bank	Trading Banks	Total
Jan.	**84,819**	50,770	14,038	**64,809**	46,862	16,498	**63,360**	58,413	32,482	**90,895**
Feb.	**94,240**	54,329	15,536	**69,865**	49,179	18,125	**67,304**	65,198	34,053	**99,251**
Mar.	**89,636**	58,227	16,749	**74,975**	54,076	20,100	**74,175**	68,254	31,504	**99,758**
Apr.	**95,551**	60,998	16,730	**77,728**	58,362	23,924	**82,285**	72,410	30,000	**102,410**
May	**97,296**	65,652	16,598	**82,250**	65,607	23,634	**89,241**	80,410	34,018	**114,428**
June	**100,017**	66,364	13,623	**79,987**	68,411	18,605	**87,016**	83,824	39,492	**123,316**
July	**100,344**	62,756	15,281	**78,037**	67,340	16,169	**83,509**	83,454	40,059	**123,513**
Aug.	**78,568** *	58,312	13,435	**71,747**	66,099	12,302	**78,402**	94,150	23,712	**117,862**
Sept.	**72,804**	54,832	11,166	**65,998**	57,635	13,374	**71,009**	91,914	18,802	**110,716**
Oct.	**66,487**	49,474	12,691	**62,165**	54,916	13,927	**68,843**	83,855	14,108	**97,963**
Nov.	**63,138**	46,961	13,141	**60,102**	53,871	9,670	**63,541**	72,947	13,401	**86,347**
Dec.	**66,052**†	44,418†	15,320†	**59,738**†	50,971†	22,013†	**72,984**†			

* Foreign exchange and overseas investments held by the New Zealand banking system in respect of New Zealand business, less overseas liabilities. The Reserve Bank figures include not only sterling exchange as formerly, but also other foreign exchange holdings and overseas investments. † Wednesday before Christmas.
* On and after 20th August, 1948, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg.100 = £N.Z.124.

IV—COMMODITY PRICES June 1950—November, 1951

Month*	WOOL	RUBBER	COTTON	COPPER	ZINC	LEAD	TIN	JUTE	WHEAT	"Economist" Sensitive Price Index
	Tops—56's Super carded (Bradford)	R.S.S. spot (London)	U.S. middling (New York)	Electrolytic (New York)	Spot (E. St. Louis)	Spot (New York)	Spot (London)	Daisee 2/3 e and f (Dundee)	Near month (Chicago)	
	Pence per lb.		*Cents per lb.*				*£ per ton*		*Cents per bushel*	*Base 1935 = 100*
1950—June	81	23	34.6	22.5	15.0	11.5	600.8	120	212.3	375.2
Sept.	148	43	41.6	24.5	17.5	16	811.5	110	222.6	438.4
Dec.	167	55	44.2	24.5	17.5	17	1,302.5	120	245.8	491.6
1951—Jan.	250	64	†	24.5	17.5	17	1,347.5	144	251.5	515.6
Feb.	254	72	†	24.5	17.5	17	1,422.5	168	243.8	524.0
Mar.	277	63	46.1	24.5	17.5	17	1,237.5	193	249.5	513.8
Apr.	227	54	46.1	24.5	17.5	17	1,160.0	230	249.1	518.2
May	198	44	46.1	27.5	17.5	17	1,123.8	230	239.5	514.8
June	165	45	46.1	27.5	17.5	17	912.5	220	230.6	506.0
July	164	44	38.4	27.5	17.5	17	840.0	195	236.5	493.7
Aug.	135	44	35.7	27.5	17.5	17	917.5	148	239.5	500.5
Sept.	93	46	38.4	27.5	17.5	17	962.5	145	244.1	504.3
Oct.	120	46	39.4	27.5	19.5	19	1,027.5	165	253.6	498.8
Nov.	118	45	40.8	27.5	19.5	19	992.5	168	254.9	495.0



* End of month prices. Mid-month prices in June, 1950 (prior to outbreak of Korean war) and November, 1951. †Markets closed during stabilization.

V - PRINCIPAL NEW

SEE PAGE 131 (SEPTEMBER ISSUE)

ANN

March Year	Mean Total Population	Farm Production		Factory Production‡			Total Production		Value of Building Permits	Net National Income
		Value	Volume	Persons Engaged	Added Value	Volume	Value	Volume		
	(000)	£N.Z. millions	1938-39 = 100	(000)	£N.Z. millions	1938-39 = 100	£N.Z. millions	1938-39 = 100		
1938-39	1,611	81.9	100	89	30.5	100	136.1	100	12.1	194.1
1940-41	1,636	98.7	116	98	37.1	114	160.4	113	11.1	232.4
1941-42	1,630	97.3	111	100	41.2	117	163.8	110	9.0	254.5
1942-43	1,640	98.6	108	97	45.2	122	170.2	109	2.7	293.5
1943-44	1,638	98.9	105	100	49.4	129	175.9	108	8.3	326.5
1944-45	1,665	116.4	113	104	52.0	132	196.7	114	12.8	329.9
1945-46	1,711	112.8	107	110	55.6	136	200.4	112	16.9	350.1
1946-47	1,773	131.4	110	116	61.7	146	230.2	118	21.2	365.3
1947-48	1,813	155.0	113	120	70.8	159	266.3	123	21.4	410.9
1948-49	1,851	168.8	117	122	77.0	163	292.2	129	26.4	419.1
1949-50	1,891	208.7*	123*	123	84.5*	174*	344.8*	136*	30.4	483.2
1950-51									35.0	577.6*

‡ Excluding processing of primary products. † Debt domiciled overseas is expressed in New Zealand

ANNUAL AND

	Trade and Exchange			Money and Banking						
	Exports	Imports	Balance of Exchange Transactions	Notes in Hands of Public	Volume of Money	Net Overseas Assets (Revised Series)	Advances and Investments in New Zealand: Trading Banks	Advances and Investments in New Zealand: Reserve Bank	Monthly Bank Debits (excluding Govt.)	Credit Balances in Savings Accounts
Calendar Year	£N.Z. millions									
	Annual Totals			Average of Weekly Figs.	Average of Monthly Figures					As at 31st March
1938	58.4	55.4		10.0	51.2	21.0	63.8	10.3	77.8	76.5
1940	73.7	49.0	+ 7.7	14.8	71.0	23.6	64.6	28.2	84.8	71.9
1941	67.5	49.2	— 1.9	17.4	80.9	30.1	70.7	24.7	86.4	78.4
1942	81.3	53.9	+14.0	21.5	100.8	38.5	73.2	32.9	87.4	90.8
1943	71.9	95.2	+ 3.2	27.6	125.3	42.2	80.7	46.0	99.7	108.5
1944	77.8	86.4	+27.7	32.1	137.2	49.8	85.4	47.3	106.5	132.5
1945	81.5	55.1	+43.2	35.0	150.4	80.4	83.4	33.6	117.1	156.7
1946	101.3	71.6	— 6.6	38.2	176.4	100.7	86.8	36.8	138.7	182.7
1947	129.4	128.7	—25.9	40.1	184.3	102.6	99.3	30.6	175.0	217.0
1948	147.8	128.2	+ 1.3	40.7	195.5	84.1	105.4	44.9	188.6	228.7
1949	147.3	119.7	— 6.5	42.5	207.3	70.6	96.7	83.2	196.6	239.3
1950	183.8	157.9	+14.5	45.2	232.7	75.1	107.5	90.6	243.8	253.6
Month	Total for Year Ended			As at last Balance Day					Total Monthly	As at End of Month
1950—July	169.7	145.2	+ 3.8	45.2	227.2	83.5	104.0	79.0	215.9	257.2
Aug.	169.9	148.4	+ 3.2	45.1	217.8	78.4	111.2	73.6	235.9	258.0
Sept.	173.0	151.1	+ 1.9	45.1	219.0	71.0	109.9	81.3	214.6	258.7
Oct.	175.2	153.6	+ 2.6	45.3	223.5	68.8	110.5	86.0	233.4	259.1
Nov.	175.9	156.7	+ 1.3	45.5	227.1	63.5	118.5	88.1	254.1	258.8
Dec.	183.8	157.9	+14.5	50.9†	260.3†	73.0†	122.3†	92.5	320.9	259.6
1951—Jan.	192.6r	159.2	+24.2	47.4	263.9	90.9	125.9	101.1	296.0	260.7
Feb.	209.6r	160.4	+29.5	46.6	273.7	99.3	131.6	102.1	309.8	259.2
Mar.	197.2	152.3	+23.3	48.1	291.0	99.8	146.6	93.6	313.5	266.2
Apr.	194.7r	154.9	+20.4	48.1	276.9	102.4	149.2	80.9	297.7	267.9
May	201.6r	159.8	+23.8	48.2	277.8	114.4	150.9	72.4	297.2	269.7
June	207.7r	164.9r	+39.1	48.4	277.4	123.3	146.0	66.6	296.6	271.2
July	214.6r	166.0r	+42.2	49.7	269.8	123.5	134.7	68.2	310.8	274.0
Aug.	225.1	171.0	+42.8	49.5	255.5	117.9	140.2	67.5	299.1	275.9
Sept.			+42.2	49.3	260.3	110.7	146.2	67.5	288.6	276.7
Oct.			+38.2	50.2	256.0	98.0	156.4	71.4	332.0	278.0
Nov.			+19.7	50.1	253.0	86.3	160.5	74.6	310.7	

† Last Wednesday before Christmas.

ZEALAND STATISTICS

FOR NOTES ON CONTENTS OF THIS TABLE

UAL

Sources: Census and Statistics Department
Labour Department

National Income				Public Finance			Public Debt			March Year
Wages and Salaries	Personal Consumption	Private Savings	Gross Capital Formation	Total Taxation	Current Expenditure: Social Security	Current Expenditure: Other	Overseas †	Internal	Total	
£N.Z. millions										
111.1	160	16	43	37.8		42.9	131.4	146.2	277.6	1938-39
117.7				61.4	12.6	76.8	132.9	190.2	323.1	1940-41
120.6				68.2	13.5	107.4	128.3	230.8	359.0	1941-42
126.7				87.9	15.9	189.4	132.8	304.7	437.5	1942-43
140.4	175	82	40	100.8	17.6	206.5	133.6	366.7	500.4	1943-44
147.0				108.7	19.3	179.9	133.8	403.3	537.1	1944-45
161.8				114.9	23.0	189.9	95.2	472.7	568.0	1945-46
186.3	250	68	85	113.1	36.8	130.4	95.2	483.0	578.2	1946-47
210.1	285	83	133	122.3	40.4	115.0	83.8	494.1	577.9	1947-48
226.9	344	25	67	130.4	43.0	129.2	80.6	534.4	615.0	1948-49
252.9	352	81	120	135.6	46.4	113.0	78.8	565.1	643.9	1949-50
275.2*	383*	131*	171*	157.9	49.4	123.9	77.8	589.4	667.2	1950-51

currency at the rate £Stg.100 = £N.Z.100 = £A.125. * Provisional.

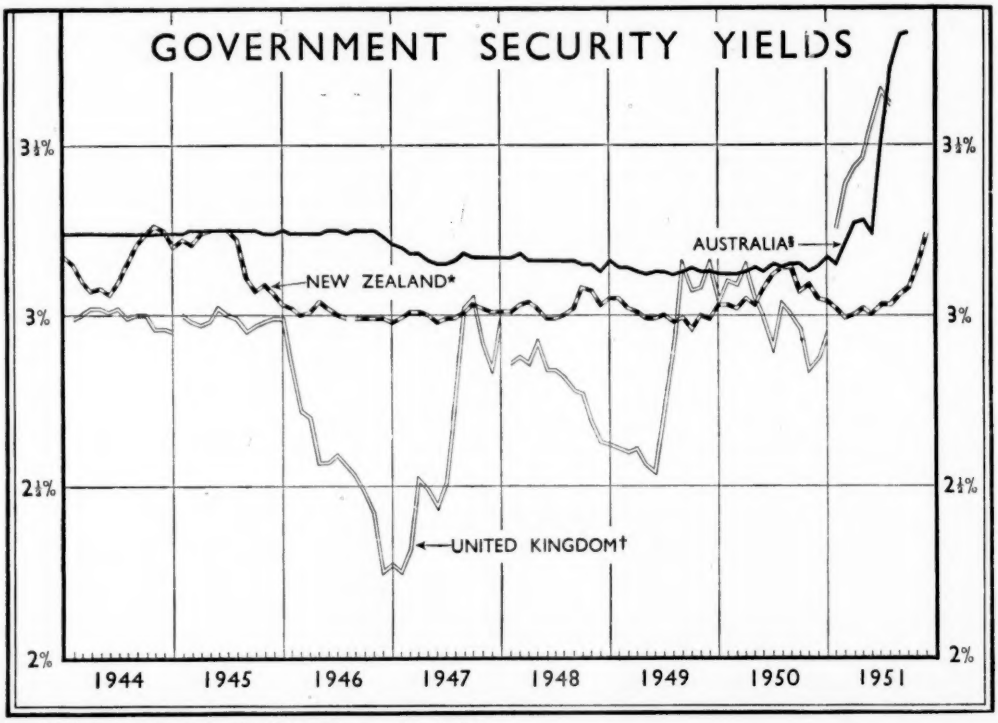
MONTHLY

Govt. Security Yield	Share Prices Index (All groups)	Consumers' (Retail) Price Index: Food	Consumers' (Retail) Price Index: All Groups	Wholesale Prices Index: Locally Produced	Wholesale Prices Index: Imported	Wholesale Prices Index: All Groups	Export Prices Index	Wage Rate Index	Unemployed	
Per cent	*Uniform Base: First Quarter, 1949 = 1000*								*Number*	Calendar Year
				Annual Averages						
3.81	681	713	718	656	524	570	513	669	34,748	1938
3.61	680	775	782	716	627	658	571	699	18,037	1940
3.37	682	795	810	757	704	722	582	724	9,563	1941
3.20	688	811	838	793	773	780	594	756	2,736	1942
3.18	799	816	856	801	852	833	618	780	1,096	1943
3.18	871	829	872	819	881	858	649	788	913	1944
3.18	916	829	884	835	894	873	699	855	677	1945
3.01	1012	830	891	849	891	875	764	887	368	1946
3.00	1069	881	919	909	909	908	957	921	83	1947
3.03	1035	995	992	998	1022	1012	1059	983	61	1948
3.00	999	1023	1009	1018	1000	1005	1035r	1038	88	1949
3.07	1121	1123	1066	1155	1061	1093	1503	1110	34	1950
				Monthly Figures						Month
3.14	1109	1159		1219	1072	1124			34	1950—July
3.14	1128	1165	1087	1208	1084	1128	1564r		33	Aug.
3.07	1145	1172		1209	1089	1131		1126	33	Sept.
3.09	1158	1200		1233	1091	1141			35	Oct.
3.05	1179	1186	1105	1239	1092	1144	1981		22	Nov.
3.04	1213	1210		1249	1100	1152		1132	12	Dec.
3.02	1246	1208		1263	1124	1173			14	1951—Jan.
2.99	1247	1198	1121	1284	1158	1202	2116		10	Feb.
3.00	1242	1206		1305	1176	1222		1257r	9	Mar.
3.02	1230	1243		1303	1203	1238			24	Apr.
3.00	1234	1262	1169	1305	1233	1262	1460		60	May
3.03	1246	1288		1327	1246	1274		1258r	53	June
3.03	1238	1301		1348	1251	1285			31	July
3.06	1228	1327	1207	1398	1273	1317			32	Aug.
3.08	1232	1330		1364	1276	1307		1287	45	Sept.
3.15	1227	1343							34	Oct.
3.24		1380								Nov.

r Revised.

VI—GOVERNMENT SECURITY YIELDS

Calendar Year	In New Zealand	In London			In Australia
	Long-term*	N.Z. Government Long-term 3½% 1962-65	British Gov't. Long-term†	British Gov't. Short-term ‡	Commonwealth Long-term§
1946	3.01	2.62	2.55	2.09	3.22
1947	3.00	2.62	2.67	2.18	3.17
1948	3.03	2.88	2.79	2.02	3.14
1949	3.00	3.13	2.83	1.94	3.13
1950	3.07	3.24	2.99	2.03	3.14
Monthly:					
1950—Nov.	3.05	3.14	2.87	1.74	3.14
Dec.	3.04	3.17	2.95	1.86	3.17
1951—Jan.	3.02	3.16	3.25	1.78	3.15
Feb.	2.99	3.22	3.38	1.72	3.21
Mar.	3.00	3.27	3.43	1.79	3.27
Apr.	3.02	3.29	3.46	1.82	3.28
May	3.00	3.33	3.55	1.89	3.24
June	3.03	3.46	3.66	1.99	3.51
July	3.03	3.49	3.62	1.89	3.73
Aug.	3.06	3.47	3.64	1.83	3.82
Sept.	3.08	3.52			3.83
Oct.	3.15	3.58			
Nov.	3.24	3.68			

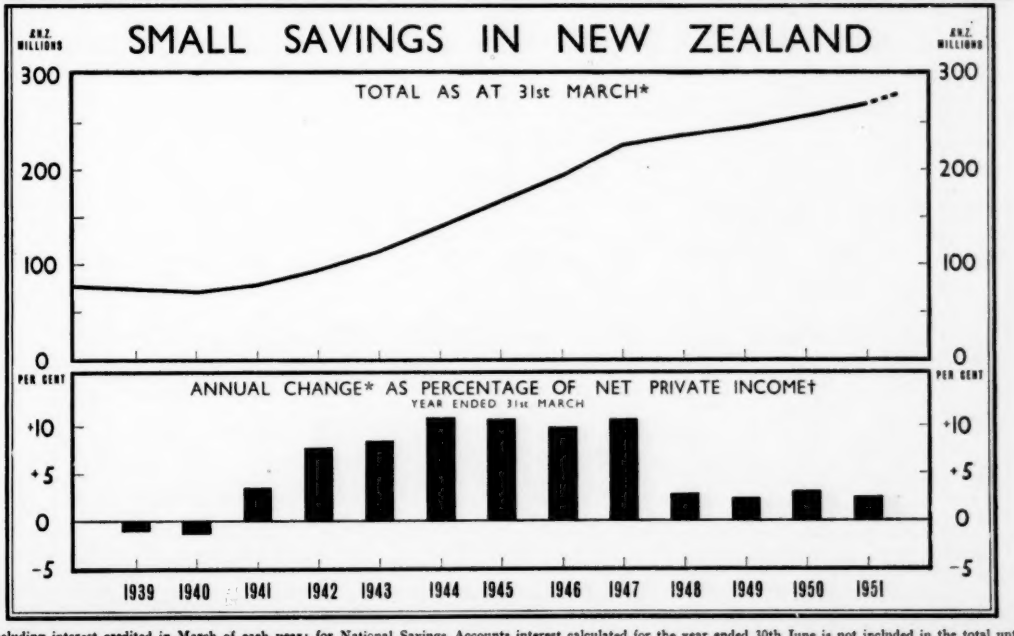


* 3½% 1953-57 Stock to July, 1946; 3% 1960-63 Stock from August, 1946.
§ Compiled from "Statistical Bulletin", Commonwealth Bank of Australia. Estimated from rates on securities maturing in 10 or more years.
† Compiled from "Monthly Digest of Statistics" of United Kingdom. 3% Savings Bonds 1955-65 to December, 1944; 3% Savings Bonds 1960-70 to December, 1947; 2½% Savings Bonds 1964-67 to December, 1950; 3% Savings Bonds 1965-75 from January, 1951. (In 1950 the average yield on 3½% War Loan stock was 3.77 and on 2½% Consols, 3.54.)
‡ Compiled from "Monthly Digest of Statistics" of United Kingdom. 2½% National War Bonds 1952-54 to December, 1949; 2½% Exchequer Stock 1955 from January, 1950.

(£N.Z. thousands)

VII—SMALL SAVINGS IN NEW ZEALAND

	Credit Balances in Savings Accounts					National Savings Bonds		Total Small Savings		
	Post Office Savings Bank	Trustee Savings Bank	National Savings Accounts	Total Credit Balances in Savings Accounts*	Change during Period*	Estimated Purchase Value of Bonds Outstanding‡	Estimated Change during Period	Amount*	Change during Period*	Change % of Net Private Income†
March-Years	*Balance at end of year*				*Annual*	*Total at end of year*	*Annual*	*Total at end of year*	*Annual*	
1937-38	63,147	13,339	....	76,486	....	....	....	76,486	....	....
1938-39	60,710	13,866	....	74,576	— 1,910	....	....	74,576	— 1,910	— 1.07
1939-40	58,002	13,907	....	71,909	— 2,667	....	....	71,909	— 2,667	— 1.44
1940-41	62,957	14,759	718	78,434	+ 6,525	....	....	78,434	+ 6,525	+ 3.44
1941-42	71,445	16,130	3,194	90,769	+ 12,335	3,398	+ 3,398	94,167	+ 15,733	+ 7.70
1942-43	84,470	18,320	5,666	108,456	+ 17,687	4,754	+ 1,356	113,210	+ 19,043	+ 8.38
1943-44	98,614	20,914	13,010	132,538	+ 24,082	7,876	+ 3,122	140,414	+ 27,204	+ 10.85
1944-45	113,492	22,774	20,457	156,723	+ 24,185	10,485	+ 2,609	167,208	+ 26,794	+ 10.68
1945-46	128,514	27,254	26,917	182,685	+ 25,962	11,343	+ 858	194,028	+ 26,820	+ 9.83
1946-47	154,859‡	30,540	31,560	216,959	+ 34,274	9,972	— 1,371	226,931	+ 32,903	+ 10.74
1947-48	160,881‡	31,778	36,070	228,729	+ 11,770	7,896	— 2,076	236,625	+ 9,694	+ 2.73
1948-49	166,297‡	32,771	40,197	239,265	+ 10,536	5,557	— 2,339	244,822	+ 8,197	+ 2.29
1949-50	170,982	34,943	47,671	253,596	+ 14,331	3,896	— 1,661	257,492	+ 12,670	+ 3.00
1950-51	176,103	36,893	53,214	266,210	+ 12,614	2,957	— 939	269,167	+ 11,675	+ 2.46
Month	*Balance at end of month*				*Monthly*	*Total end month*	*Monthly*	*Total at end of month*	*Monthly*	
1950—Sept.	172,702	36,062	49,912	258,676	+ 632	3,147	— 30	261,823	+ 602	....
Dec.	172,778	35,928	50,887	259,593	+ 744	2,986	— 97	262,579	+ 647	....
1951—Jan.	173,477	36,080	51,173	260,730	+ 1,137	2,970	— 16	263,700	+ 1,121	....
Feb.	171,799	35,871	51,522	259,192	— 1,538	2,960	— 10	262,152	— 1,548	....
Mar.	176,103	36,893	53,214	266,210	+ 7,018	2,957	— 3	269,167	+ 7,015	....
Apr.	176,915	37,140	53,856	267,911	+ 1,701	2,989	+ 32	270,900	+ 1,733	....
May	177,701	37,366	54,599	269,666	+ 1,755	3,034	+ 45	272,700	+ 1,800	....
June	178,025	37,615	55,579	271,219	+ 1,553	3,101	+ 67	274,320	+ 1,620	....
July	180,326	38,018	55,668	274,012	+ 2,793	3,086	— 15	277,098	+ 2,778	....
Aug.	181,684	38,219	56,008	275,910	+ 1,898	3,063	— 23	278,973	+ 1,875	....
Sept.	182,310	38,328	56,101	276,739	+ 829	3,053	— 10	279,792	+ 819	....



* Including interest credited in March of each year; for National Savings Accounts interest calculated for the year ended 30th June is not included in the total until the following March. ‡Includes amounts to credit of War Gratuity Accounts, viz.—1946-47, £13,616,000; 1947-48, £12,439,000; 1948-49, £11,448,000. §Excluding accrued interest which has been regarded as a cash payment on maturity. †Net Private Income = Private Income as defined in the National Income Statistics less direct taxation and changes in primary-products stabilisation and wool retention balances.

VIII—TRANSPORT IN NEW ZEALAND

(a) MOTOR VEHICLES LICENSED

(Thousands) *Source: Census and Statistics Department*

As at 30th June	CARS					TRUCKS			Omnibuses	Govt. Vehicles	Local Authority Vehicles ‡	Trailers	Motor Cycles	TOTALS
	Private	Rental Cars	Taxis & Private Hire Cars	Service Cars	Dealers Cars	Light *	Heavy **	Passenger						
1941	183	0.5	1.6	0.5	1.0	22	18	1.2	0.7	6	5	7	11	**257**
1942†	101	0.2	1.5	0.4	0.4	15	13	0.9	0.7	11	4	4	6	**159**
1943	198	0.5	2.0	0.6	0.8	27	20	1.3	0.8	17	7	13	17	**306**
1944	201	0.5	2.1	0.6	0.7	28	21	1.5	0.9	5	8	16	13	**298**
1945	200	0.5	2.1	0.6	0.8	29	23	1.6	0.9	5	10	18	15	**307**
1946	202	0.6	2.2	0.6	1.0	31	24	2.1	1.1	6	12	21	17	**322**
1947	205	0.9	2.2	0.7	1.3	34	26	2.1	1.2	8	15	24	18	**339**
1848	221	1.1	2.3	0.7	1.5	37	30	2.1	1.3	9	19	26	20	**370**
1949	228	1.1	2.2	0.7	1.6	41	33	2.2	1.5	9	23	30	20	**394**
1950	238	1.2	2.3	0.7	1.7	44	35	2.2	1.5	10	30	34	22	**423**
1951	257	1.4	2.4	0.7	1.7	48	39	2.1	1.6	11	36	38	23	**462**

*Two tons and under, laden. **Over two tons, laden. ‡Includes other vehicles exempted from Annual Licence Fee.
†Relicensing Date changed in this year from 31st May to 30th June.

(b) IMPORTS

Source: Census and Statistics Department

Calendar Year	VEHICLES				TYRES AND TUBES AND PARTS THEREOF	MOTOR FUEL					
	Motor Vehicles		Motor Cycles			Motor Spirits		Lubricating Mineral Oil		Crude Petroleum	
	Quantity (000)	Value (£NZ000)	Quantity (000)	Value (£NZ000)	Value (£NZ000)	Quantity Gals. (Mills.)	Value (£NZ000)	Quantity Gals. (Mills.)	Value (£NZ000)	Quantity Gals. (Mills.)	Value (£NZ000)
1941	3	521	*	2	1,095	66	1,612	4	419	59	864
1942	1.4	346	3	296	253	59	1,535	2	306	78	1,065
1943	0.5	448	—	—	576	66	1,797	4	535	75	1,148
1944	3	1,133	—	—	487	68	1,772	4	495	97	1,636
1945	0.9	263	—	—	733	71	1,633	3	431	68	980
1946	10	3,013	0.6	59	1,342	86	2,004	4	477	56	834
1947	27	8,471	2	205	2,446	102	3,180	6	938	70	1,455
1948	18	6,442	0.9	106	2,716	117	4,312	7	1,080	96	2,225
1949	19	5,552r	1	144	608	143	5,166	4	622	68	1,175
1950	25	7,296	2	237	638	144	6,370	7	1,225	130	2,841

* Very small quantities. r Revised.

(c) INTERNAL TRANSPORT SERVICES

Source: Census and Statistics Department

Year ended 31st March	RAILWAYS				CIVIL AIRWAYS*					COASTAL SHIPPING**	
	Passenger-Journeys (000)		Goods and Livestock Carried	Net Ton-Miles Run	Passenger-Journeys§	Freight Carried†	Passenger-Miles	Mail Ton-Miles	Freight Ton-Miles	Passenger-Journeys‡	Freight Carried (outward loading)
	Rail	Motor	tons(000)	(Mills.)	(000)	lbs.(000)	(000)			(000)	tons(000)
1941	26,277	7,731	8,426	660	42	207	4,374	12.6	9.6	348	2,321
1942	28,611	9,023	8,474	689	42	195	5,062	17.6	9.4	350	2,293
1943	36,133	9,889	8,887	781	31	175	4,656	23.9	9.4	489	n.a.
1944	38,611	11,611	9,027	833	38	191	6,371	29.7	11.4	479	n.a.
1945	32,995	13,751	8,954	815	52	272	9,300	44.0	18.8	488	n.a.
1946	32,418	16,588	9,210	843	61	339	10,158	52.9	22.6	489	2,134
1947	28,869	20,364	9,329	884	111	2,775	21,870	74.5	128.7	471	2,098
1948	25,887	21,537	9,524	937	158	14,293	35,695	97.3	574.9	454	2,103
1949	26,168	23,532	9,666	971	183	19,221	44,323	108.6	843.5	491	2,006
1950	25,895	25,696	9,948	1,021	213	24,548	49,478	121.3	1,097.0	499	2,023
1951	24,824	24,091	9,616	1,027	259	37,018	59,745	128.9	1,704.4	n.a.	n.a.

* Scheduled services only. § Commercial services (including air-taxi or charter services). † Excluding aerial work operations—e.g., top dressing, seed sowing, etc.
** Calendar Year. ‡ Inter-island services only.